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INTERSTATE COMMERCE BILL—SOME DISCURSIVE  
OBSERVATIONS.

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SPEECH

OF

HON. CHARLES A. SUMNER,  
OF CALIFORNIA,

IN THE

HOUSE OF REPRESENTATIVES,

TUESDAY, DECEMBER 16, 1884.



WASHINGTON.  
1885.







SPEECH  
OF  
HON. CHARLES A. SUMNER.

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On the bill (H. R. 5461) to establish a board of commissioners of interstate commerce and to regulate such commerce.

Mr. SUMNER, of California, said:

Mr. SPEAKER: All who have spoken thus far in this debate appear to agree that some legislation should be had with reference to the subject in hand. The general concession is that public sentiment justly and imperatively demands action on the part of Congress in the premises. Even the gentleman from Pennsylvania [Mr. BOYLE], who in an able and candid speech presents objections to both pending measures and states why he can not support either of them, does not hesitate to imply that he would lend his sanction to a bill wisely designed to control in one or more particulars the matter of interstate commerce by railroad transportation. If we venture to assert or suspect that any gentleman here announced favor for the main proposition with the view and intent of securing a vantage ground for more effective criticisms, for closer fulcrum of obstruction, it should not detract from the emphasis of congratulation at this time. For this dissimulation would be good testimony at this time. Here is a House of Representatives almost unanimous in its declaration that there should be Congressional legislation in some manner supervising and regulating interstate railroad traffic. There has been a majority heretofore but not such unanimity. Here is an advance, brought about by the public sentiment which exists and which it is believed will rapidly extend and deepen because of the enlightenment springing from this discussion.

Many of us can recall the time—long prior to the formal consideration of this topic in Congress—when in a few of the States it was vainly sought to obtain a full and patient hearing before legislative committees on the proposition of limiting tolls upon railroads within the boundaries of the respective Commonwealths. Then there was a short, sharp, and immediately successful confronting of all such propositions by boards of directors or their attorneys. It is true that then the evils to be complained of were not so great as now, leaving out of account the largely increased distances of travel and magnitude of investments.

Twenty years ago the monopoly of which we have now to complain in this relation was pointed out, was by isolated individuals publicly deprecated, was afterward protested and petitioned against by a few; and then amid many derisive interruptions by the incredulous, the growth which it was destined to have, if unregulated and unchecked, was depicted in a sure word of prophecy. There has been an advance. Let us rejoice at this and let our satisfaction be enhanced by a knowledge of the indisputable fact that many prominent citizens who fifteen

or twenty years ago were either indifferent on this subject, in spite of all appeals made to them in their private or representative capacities, or absolutely antagonistic to any such anti-railroad monopoly bills as those that have been offered at this term of Congress, are now among the foremost in advocating the legislation proposed by the substitute bill before the House. We will believe, indeed we know, that there has been an honest conversion here; while thousands of cunning demagogues without these walls appear to have discovered or to have come to the conclusion that it is more to their interest to speak as champions of the people's rights against the rapacity of oppressive railroad corporations, than to earn a fee or accept a stipend in the ranks of the avowed agents of the great railroad and telegraph masters of the Union.

Let us see if we can get approximately at the surface-lettered opinion, disposition, willingness of the members of this House on this subject. Is it not already ascertained and disclosed that a bill providing simply for a commission of inquiry with respect to railroad management in this country would not meet with any objection from, but would have the affirmative support of all, the members who object to the substitute? If that be so, it might be asked, why not consent to the preparation and presentation of such a bill? And why not upon its passage claim an anti-monopoly victory? To do this would, in my judgment, be almost as much of a failure in responsive action and a pretense in profession and a sham in jubilee as to pass a telegraph-contract bill for the benefit of Norvin Green or Johnny Mackay, or both, and call it a postal-telegraph statute.

Many, and I think a majority, of the members of this House differ with those who at this time call for a national railroad commission, after the order provided in the committee bill—who call for this or argue against anything beyond it—because we are firmly of the opinion that such a commission would be of no practical benefit whatsoever to the producers and consumers of this country and to the real business interest generally affected by and related to interstate commerce. Passing from the challenge so often heard during the last decade, "You must not legislate at all," we come perhaps to the proposition "how not to do it." For one I would infinitely prefer that we adjourn without legislation at all on this subject at this session, than place upon our statute-book a law for the organization of a board of commissioners such as is contemplated in the committee report. It would not be a mere failure to take aggressive action; it would be the enactment of a law that would practically put out of the hands of Congress for many years to come the power to initiate or to enforce remedial provisions on the subject. Of course it would be possible for Congress to legislate by repeal or amendment at a following session. But guided by the lamp of experience, I speak of the practical effect.

If we pass a commission bill what will be the result? In view of all the surroundings of this case, and taught by our experience elsewhere, what would be the outcome? Except party exigency compelled the appointing power to immediately announce a choice (for a supposed party advantage in the *personnel* of the commission) there would be three or four months exhausted in consultation as to the best men for the place. Then as many months more for organization of the commission itself. Then at least six months for junketings from one end of the country to the other. Then six months more for arguments and consultations. And it would be immaterial whether the commission had absolute power to act on its own motion with respect to any



particular road or company, or whether it had to be set in motion by the filing of a complaint and a prosecution for bare damages in a court of competent jurisdiction. And by the way, following the provisions of the committee's bill, the aggrieved shipper must approach the august tribunal, into whose hands we shall have committed the power which was lodged with us, with as much introductory ceremony and tipping as would be required from a foreigner in order to secure a diplomatic audience with the Tycoon of Japan.

Withip the last six months of the official life of the second, or four-year-term, commissioner—they holding, respectively, for two, four, and six years on first appointment—there might possibly be a little conceded shaving of the rates for one staple from the West to the East, with here and there a few other prescribed reductions; all of which would have been announced at as early a date whether there had been a commission in existence or not. Then and thereupon, of course, we should have elaborate eulogies of the members of this commission printed in a thousand and one newspapers of the land, whose editorial columns, alas! are always at the service of the monopolists when the exigency demands a publication of this nature. [See Appendix A.]

Then would come a second reorganization of the commission, and after that changes in conformity with the wishes of the railroad managers—a minimum of reductions for appearances' sake. These and the other two years with the same history. And by that time (are we fools that we do not know it in the light of the past?)—by that time these monopolists would have obtained such power, focalized in this direction, that they would be enabled to perpetuate the commission; strengthening it in isolated and exclusive powers; making sure that the members of it were their personal property and their ready, obsequious officers. All this is supposing that there would be any respect at all paid by the managements to the act of Congress—that they would not deny its validity from the outset, as some (shall I call them communists?) have declared that they would do. [See Appendix B.]

It might be said, if there was condescension for any rejoinder, "Do you mean to say that such a man as Mr. ——— would prove faithless to the people in the office of commissioner?" For a first response it could properly be answered that under the terms of this commission bill a commissioner might possibly act up to the line of his trust in good faith and yet accomplish nothing beneficial. But there is not time for me to go into the analysis of this committee bill with this point in view. It should be replied, "We do not know that the man whom you now suggest as a commissioner would be nominated or would accept." As a matter of fact we do not believe that some of the distinguished gentlemen whose names have actually been called out on the floor in this connection would take the office. If we are to enter into considerations like these, while we are making ready to evade our duty by transferring our authority, we may assume that there will be a different class of appointments from those which have been indicated.

Some one might hasten to say, "You are too suspicious; you are captious in your objections to the bill, and you are unwarrantably distrustful lest the very best men for the place should not be selected. You are singular in this." It is with great satisfaction that I heard the introducer of this substitute [Mr. REAGAN] say, as you will find his words recorded on the thirty-fourth page of the RECORD for this session:

If we provide for the appointment of a railroad commission, either by the President or any other authority, however honest and patriotic his intentions may

be in making such appointments, we must remember that the railroad corporations, few in number as to the heads that control them, can easily combine their influence and bring to bear by indirection, if they dare not do it directly, influences which will be likely to control in the appointment of commissioners. If we get commissioners appointed in the interests of these corporations we can hardly expect either recommendations or direct action that will materially benefit the people. It has been said that it was difficult even to get the Representatives of the people to act on this great question. We know the power of these corporations (with their experts and other officers filling the committee-rooms and corridors, and often placing themselves upon the floor of this House, with their attorneys, the ablest in the United States, all of them paid out of the people's money by levying a little more tribute upon the people) to secure or prevent legislation. If Congress has found now for nine years the impossibility of legislating upon this question, what is to be the fate of the people if their interests are left in the hands of three men upon whom all these influences can be concentrated?

Now let there be given and heard and heeded a little simple hinting illustration of the possibility of imposition on the appointing power under the circumstances supposed. And the record which will be introduced will appear to have a second, a subordinate, but I think strong justification for its appearance when you shall have considered the character of this proposed commission—that is, a *railroad* commission—and the fact that some sectional lines would be appropriately recognized by the choosing power in making up a decision with respect to the appointments.

In one of the leading party organs of the Union, of issue Friday, December 12, 1884, the following statement appeared:

During the last few days the belief has grown very generally among political experts that the Hon. Mr. ———, of the State of ———, will be Mr. Cleveland's ——— [mentioning the name of a Cabinet office]. \* \* \* The most positive evidence has been developed that Mr. ———'s friends have already secured the influence of \* \* \* and that of ex-Senator Gwin, of California. On this point there is not the remotest doubt.

This leading party organ, in the statement quoted, does but concur with a number of other influential party journals in conceding the great "influence" assumed or asserted to exist with respect to one of the very highest appointments that can come from the hand of the Chief Executive of the Union.

I invite attention to the extracts from the C. P. Huntington correspondence, which were brought out on the trial of the cause of Colton against the Central Pacific Railroad Company last winter, and published in the San Francisco Daily Chronicle. This is a case in which the widow of the late David D. Colton, of California, alleged that Huntington, Stanford, Crocker & Co. have sought and are seeking to defraud the Colton estate out of millions of dollars—a description of a browbeating visit by the courageous Crocker to the lone widow being a part of the testimony.

In 1875-'76, Mr. Huntington, vice-president of the Central Pacific Railroad Company, and with his brother directors in that company controlling if not exclusive owners in the Southern Pacific Railroad Company, desired to prevent a construction of a rival transcontinental railroad. To that end they had their lobby at work in this Capitol and sent their corrupt and corrupting agents throughout the country, especially to the Southern States, as will appear by the extracts from the papers which I present:

NEW YORK, November 10, 1875.

FRIEND COLTON: Yours of October 23, 1875, No. 85, is before me. Dr. Gwin is also here. I think the Doctor can do us some good if he can work under cover, but if he is to come to the surface as our man I think it would be better that he should not come, as he is very obnoxious to very many on the Republican side of the House, and then there is very many things about our business that he does

not know and he has not the time to learn before Congress comes and goes. It was very unfortunate that he came over in directors' car with Mr. Crocker.

I received a letter to-day from a party in Massachusetts that said that Gorham and Sargent were very much offended because Gwin was, or rather had come over to look after our interest in Washington. I am, however, disposed to think Gwin can do us some good, but not as our [avowed] agent; but as an anti-subsidy Democrat, and also as a Southern man, with much influence in the South, in showing the Southern people that the Texas and Pacific Railroad is in no way a Southern Pacific road, but a road that, if built by the Government, would prevent the Southern States from having a road to the Pacific for many years.

But Gwin must not be known as our man.

I received a letter from H. S. Brown this morning that "G" was for RANDALL or Walker. I send copy, with my reply.

Yours, &c.,

C. P. HUNTINGTON.

I can not stop to point out all the proper inferences that can be drawn—and that in some instances can not be disputed—from this correspondence. The Central Pacific Railroad Company hires and sends Dr. Gwin to the South, as ostensibly a next friend of the Southern people, to deceive and mislead;—the same Dr. Gwin whom leading organs of both parties now put forth as an indisputably powerful adviser of the incoming President. This adviser is found out and exposed as a flunky of the Central Pacific Railroad monopoly. How many other advisers that are in training are unknown in their monopoly bonds and maneuvers?

But let us proceed with the reading of this correspondence:

NEW YORK, November 11, 1875.

FRIEND COLTON: Your letters of October 26, 27, and 30 and November 2, Nos. 86, 87, 88, and 89, are received. I notice what you say in No. 86 as to Gwin not connecting with us, as far as the public are concerned.

Of course I agree with you, and I was much surprised when I heard he was coming over in the car with Crocker. I told the Doctor to-day that he did not want to connect with us, except so far as in his argument against subsidies he could say that the Southern Pacific Railroad Company was a powerful company, and could and no doubt would, build to El Paso without any Government aid except the land grant that has already been given.

\* \* \*  
Yours, truly,

C. P. HUNTINGTON.

NEW YORK, November 13, 1875.

FRIEND COLTON: Your dispatch that you had sent \$200,000, gold, is received. Dr. Gwin left for the South yesterday. I think he could do us considerable good if he sticks for hard money and anti-subsidy schemes, but if it was understood by the public that he was here in our interests, it would no doubt hurt us. When he left I told him he must not write to me, but when he wanted I should know his whereabouts, &c., to write to E. T. Colburn, Elizabeth, N. J.

I have had several interviews with the Houston and Texas Central Railroad people. It has a land grant to the west line of the State of Texas of 4,769,280 acres. It is owned by William G. Dodge, Moses Taylor, W. M. Rice, and other strong men of this city. I saw Dodge a few days since with a view to having them build to El Paso and we build to that point to meet them. He said they thought they would do it. He said he was opposed to the Government granting any aid to his or any other road. I have been sick ever since I saw him, so I went to-day and saw Moses Taylor. He said he liked the idea and that he would talk it up to his people, &c. There will be no Government aid granted this session, and if you can get the H. & T. Central to stand in with us and offer to build a line through, we build to El Paso from the west and they from the East, I think Scott's fish will be cooked.

Yours, truly,

C. P. HUNTINGTON.

NEW YORK, November 30, 1875.

FRIEND COLTON: \* \* \* Gwin has just returned from the South. I am very busy, but just what I am doing it is not necessary to write in this letter.

Yours, truly,

C. P. HUNTINGTON.



NEW YORK, *December 22, 1875.*

FRIEND COLTON: \* \* \* I think the Doctor [Gwin] will return to California in January. I have just returned from Washington. The Doctor [Gwin] was unfortunate about the railroad committee; that is, there was not a man put in the committee that was on his list, and I must say I was deceived. He was often with Kerr, and K. was at his rooms and spent nearly one evening. The committee is not, necessarily, a Texas Pacific, but it is a commercial committee, and I have not much fear but that they can be convinced that ours is the right bill for the country. If they could have been left as we fixed them last winter, there would have been little difficulty in defeating Scott's bill; but their only argument is, it is controlled by the Central. That does not amount to much beyond this: it allows members to vote for Scott's bill for one reason and give the other that it was to break up a great monopoly, &c. If these — interviewers would keep out of the way it would be much easier traveling.

I send a few clippings.

Yours, truly,

C. P. HUNTINGTON.

NEW YORK, *December 27, 1875.*

FRIEND COLTON: \* \* \* I notice what you say about the interest that Dr. Gwin should have, and I have no doubt that we shall agree about what his interest should be. \* \* \* I get letters from Washington nearly every day that almost everybody is for Scott's Texas Pacific bill and that he (Scott) is sure of passing it, but he won't do it.

Yours, truly,

C. P. HUNTINGTON.

NEW YORK, *January 3, 1876.*

FRIEND COLTON: Yours of the 25th of December is received, with clippings from Los Angeles papers. If they could build railroads by resolution, I have little doubt every man would have one past his own door, but as roads can not be built in that way, some few will be compelled to walk just over the hill before they strike the iron track. I notice what you say of Dr. Gwin. He can cover more ground in a few minutes in one letter than we could in many years with the rail. \* \* \*

Yours, truly,

C. P. HUNTINGTON.

NEW YORK, *February 26, 1876.*

FRIEND COLTON: I have been in Washington most of the time for several weeks past, which, with my other business, has kept me so very busy that I have neglected my correspondence. Your letters have, I think, all come to hand up to No. 141, that is, by putting in some without numbers, that by their dates have come in right to fill these missing numbers. I do not write you much about matters in Washington, but I am having the biggest fight I ever had there, and expect to win it.

Scott is doing his best, and has an army of men in the lobby to help him. He told me this week that he is sure to pass his bill. He said he would give us enough to do to take care of what we had without meddling with his. I said to him, with a smile, I hoped he would do nothing that would interfere with my helping him in his Texas and Pacific. I have sent H. L. Brown with Judge Ivans (Mr. I. is a citizen of Texas) to Texas to set that State right on the Southern Pacific, and I sent Doctor Gwin to Mississippi, Louisiana, and Alabama to set some back fires on Scott. I expect to weaken Scott much by this move. This fight will cost us much money, but I think it is worth it, as I have written you from time to time. I have been trying to work parties up that have interests in roads in Texas outside of Scott's interests, and they told me a few days since that if I would get up a bill I could use their names and I at once done so, and they now like it very much, and I think it makes us stronger than we were without. I send copies of the bill with this—Senate bill No. 500. \* \* \* Good articles in the California papers sent to our members of Congress would do good. They get many from our enemies which do hurt. Wigginton gets nearly everything bad that is said about us I think. I have many things that I would like to say, but it is dark and I quit.

Yours, truly,

C. P. HUNTINGTON.

The people of the State of California, having suffered more from the exactions of railroad monopoly tyrants than the citizens of any other Commonwealth, entered upon a political campaign in 1882, during which the rival parties claimed precedence of each other in devotion

to the interests of the people,—as exemplified by platform and by nominations.

I will append to my speech the provisions of our constitution with respect to the board of railroad commissioners, by which it will be seen that they are given extraordinary and almost exclusive power in the premises. (See Appendix C.)

The platforms of the two parties were respectively claimed to be of at least equal strength and clearness on the subject of railroad domination and oppressive exaction; equally binding upon the nominees for the office of railroad commissioner in the line of enjoining and bonding for radical action in the way of reducing charges for passenger and property transportation. Upon the Democratic party platform our nominees made unqualified and solemn pledges before the people. There followed an overwhelming Democratic victory. The three Democratic nominees for railroad commissioners were elected by enormous majorities. It might be instructive to quote from their formal and their voluntary words of promise and assurance to the people. But shortly after their installation in office it became apparent that two of these commissioners were the creatures of the Central Pacific Railroad Company. They refused to give the people the relief that they reasonably demanded and which it was in their power to provide;—which, we say, it was their duty to provide under their oaths as officers and their declarations on the campaign platforms.

Thank God, the Democracy of the State of California had the conscience and the courage to cast these creatures out of the party camp, by overwhelming vote at the succeeding State convention.

The Democratic party of California and the country is the party of anti-monopoly; and no one known or generally believed to be in favor of monopoly, or known to be in its political services should be elected by the Democracy to office; otherwise the party is an organized pretense and fraud. And the Democratic party must now and henceforth, to maintain or acquire ascendancy, in conventions and in State Legislatures and in Congress show its faith by its works. The chosen must be faithful, the traitors must be branded and thrown out, or the party will meet with defeat and death. Neither Federal patronage nor State government control to-day, nor both, will much longer hold up any party banner when the organization is avowedly or secretly controlled by the oppressors of the people.

Now, if the majority of the people of the State of California could under the circumstances be so deceived and betrayed, how comparatively easy it would be—may we not reasonably believe—to impose upon the Chief Executive of this nation in the event of the passage of any railroad commissioner bill?

Such deceit and betrayal at a first election of railroad commissioners, or at the beginning of the agitation of the subject referred to, in any State, might not be surprising; but, considering the situation in California, the latest success of the conspiracy of treachery is something astonishing.

And now here comes a masquerading emissary of the Central Pacific Railroad Company, who was sent down into Southern States to beguile and delude the honorable people of that section, presuming upon and doubtless prevailing with and by reason of his nativity and early manhood associations (ah! how this quoted correspondence must stingingly touch the keen sense of honor and self-respect which has been the theme for just and superlative boast on the part of the Southern gen-



tleman),—here, and now comes this private salaried messenger of C. P. Huntington & Co., on an unchallenged dress-parade as an “influential” counselor for the incoming Democratic administration! And if in view of all that has been said, and that is here restated, the leading party journals of our national and of our commercial metropolis can hold this person up as a worthy or potential adviser with respect to Cabinet nominations or appointments, what must, or might, or can be expected touching the nominations or appointments having direct regard to this very railroad management?

It could not be reasonably expected that the Chief Executive would appoint more than one commissioner from the list of intimate personal acquaintances. And the President-elect, as governor of New York, has confessed that he was deceived as to one of his State commissioner appointments. (See in Appendix I list of roads that, as an “influential” agent of Huntington and Gould, Dr. Gwin would represent. See stock and bond lists shown in Appendix F.)

That the chief appointing power must largely rely upon representations of accredited counselors from different sections of the Union, is attested by no less an authority than General Garfield; who so declared in letters written during his candidacy for the Presidential office, when the pressure was heaviest upon him in the direction of almost unvarying civil-service retention. While in a majority of instances worthy appointments will be made, some mistakes will occur; and hence error would be most apt to be made here, as clearly but cautiously suggested by the gentleman from Texas. Why, then (leaving out for the moment all other considerations), delegate our power, run from our responsibility, with the possibility of bad substitutes, with the certainty that by such action the success of the cause of the people, here involved, will be indefinitely postponed?

The railroad lobby that is surging about this Capitol to-day desires a railroad commission. The members of that lobby who have spoken on this subject, where I have happened to be a listener to their remarks, have advocated that this Congress do not adjourn without the passing of a commissioner bill. It would appear to be an established fact that the monopoly speculators are aggressively seeking the establishment and organization of a national railroad commission.

Mr. Speaker, if an intelligent foreigner, worthy of the adjective, and yet almost, if not quite, unacquainted with the history of our affairs in connection with railroad management, should have come and sat in our midst during the past two weeks, what might have been his conclusion as to the attitude of disputants here, and the character of the men without, whose pecuniary investments are said to be most largely involved in our action on this question? There have been accusations, coupled with names, which might well have shocked him,—as one first observing the condition of our country in a picture drawn by Representatives here. The charges and the epithets might have seemed too severe. Were they justified? He hears no absolute denial in terms; no direct, specific attempt at vindication in response. But answering suggestions are made—one, particularly, by the gentleman from Michigan [Mr. HERR]—to the effect that the persons accused are honest, worthy gentlemen, conspicuous only because of their superior sagacity displayed in legitimate and laudable enterprise;—in very truth public benefactors and shining moral examples for the rising generations.

If an English gentleman was the auditor supposed, might he not in all sincerity and without involving just challenge and charge against

him on account of prejudice or bigotry, be thrown into a state of mind and opinion similar to that in which Sir Leicester Dedlock was habitually found? Would he not be apt to recognize in the gentleman from Kansas [Mr. ANDERSON] another Watt Tyler? Indeed, would he not be apt to conclude that some of these men who have been stigmatized as extortioners and oppressors were worthy to be classed with Arkwright and Stevenson and Murdock, of great mechanical and of railroad engineering fame? And regarding this substitute bill as having been passed, enacted into law, might he not agree in all the sentiment of apprehension displayed by Sir Leicester—though far from accepting the verbose expressions of the British baronet as given in *Bleak House*?

Then upon my honor, upon my life, upon my reputation and principles, the flood-gates of society are burst open, and the waters have—a—obliterated the landmarks of the framework of the cohesion by which things are held together.

Suppose that he had only heard the gentlemen who have advocated the committee bill—for all of whom I have the greatest personal respect;—would he not have supposed that an effort was being made here to destroy “the business interests” of this country so far as they are involved in interstate railroad transportation?

In a majority of instances the speculating managers of the railroad monopolies of this country to-day are not and never have been, in the sense of actual and venturesome business men, engaged in the construction of railroads? Who built the Pacific railroads? The American people built them, by enormous subsidies, given—wastefully we now can see—by their Representatives and Senators. And following the grant of these subsidies came examining commission upon commission, under the original law, through which fraud after fraud was perpetrated, in false certifying to construction and its character—to the end of exhaustive chapters.

These men public benefactors! They are simply robbers. Oh, but they own and manage these roads now [and speculate with the thrice-watered stock that is said to represent capital invested]. Go look at the billowy track of the Central Pacific from Reno to Ogden, and the ricocheting line of the Texas Pacific from Mineola to El Paso! On the last-named railway the engine often sinks out of sight within half a mile of the station and rises to view within the mile beyond. Rails are laid on the lap of mother earth with hardly the preliminary labor of turn-piking. And for this so-called and commission-certified “first-class construction,” section after section of public domain, and in one case thousands of dollars in United States bonds per mile, are awarded by the General Government. And over these roads the toll is nearly or quite as much again as that charged upon the line of well-constructed railways,—built by private capital. I will append also some instructive data bearing upon this subject. (See Appendix D.)

Public benefactors! You must have a board of commissioners, with great salaries assigned, with a retinue of officials, with free passes for the transporting of themselves and their officers from one end of the country to the other, with magnificently appointed headquarters at the capital of the nation; to inquire and inquire, and visit and revisit—a regal exchange of civilities—with Jay Gould and Cornelius Vanderbilt and Leland Stanford and C. P. Huntington and Charles Crocker and William M. Gwin—public benefactors, their agents, allies, and advocates!

All this while—since I first suggested his presence—I have been thinking about the impression on the stranger in our midst who has never

heard that Jay Gould confessed that his ministers corrupted legislative candidates—being professedly Democrats in Democratic districts and Republicans in Republican districts—and that Vanderbilt dismissed the bearer of popular complaint against railroad management with “D—n the people.” Starr King, twenty-five years ago, called the sharks in Panama Bay “the Vanderbilts of the sea.”

It is said that the substitute bill is “inelastic;” that it is iniquitously iron-core and steel-clad. Seeking for an explanation of these terms by the context in speeches delivered here, you find that the principal objection and plea is against the provision that no more shall be charged for a short than for a long haul. My complaint against this bill would be that it is defective in this very direction; in that it does not provide for a maximum by figures herein contained. But the gentleman who presented the substitute provides for a maximum within the termini of a railroad line, at the nomination of the railroad companies themselves. I am confident that experience will prove the better way to be a figure-fixing of maximum rates on section divisions of road or otherwise; but in my judgment it can not justly be said that in this bill the limit is such that there will not be sufficient margin against intermediate stations. As I understand it—and I think that it can not be construed otherwise—the limitation is on transportation straight forward on one and the same line. And under this legislation State boards of commissioners could so co-operate and agree as to do exact justice between the parties interested in any given instance of transportation. By rules in detail affecting charges for the carrying of property that was to go beyond State lines, adjoining Commonwealths—through these respective boards—could fix the tariff to a nicety of right. There is no item that belongs to the righteous consideration of the matter that could not be estimated and taken into consideration and acted upon to a fair and precise result by the conjoint action of State commissioners, overarched, so to speak, by the letter of this substitute bill enacted into law. And, indeed, unless I expected some such co-operation on the part of State commissioners in certain instances, I should offer and move the adoption of various amendments and additions to the text of the substitute.

Under this substitute railroad companies, without restriction as to added distance, may charge as much for a short haul as for a long one. While it is claimed that railroad companies should be privileged to charge more for a short than for a long haul, and while it is claimed that the license to charge as much for a short haul as a long one on the same road does not give sufficient latitude of discrimination against the intermediate points, we are wondering—at least I am—why there are not a great number of instances brought forth to support so remarkable a position. In all this discussion only one geographical dot is named which should be signalized by subjection to the rule of a greater charge for a shorter than a longer distance, and that point is Winona. And the article to be transported which figures in the parade is a bale of cotton. I think that this illustration has been sufficiently answered already, if by any possibility it requires an answer in order to gain or keep the balance of minds constituting majority in this House on this subject.

But I would like to call up to notice the general advantage which would belong in the Winona and Memphis case, as well as in all others of similar character that could be adduced. The railroad if properly built and equipped and managed has great advantages over the parallel or competing water way. There is speed and there is comparative safety.



With respect to articles that are perishable in their nature, the railroad will always have a wide margin within which greater prices for carrying can be asked, as compared with water transportation, without losing patronage. I have not heard any one draw attention to this single surface fact, which belongs in the consideration of this matter; and on mentioning it in conversation I have been surprised to find that it had not long ago occurred to all engaged in this discussion. In many instances the celerity of land transportation is such a factor in determining by what route goods shall be carried that solely on this account a great percentage can be and undoubtedly is obtained by the railway at higher prices, in bidding against the steamboat or the canal-boat or the barge or the sailing vessel. The stating of such an undeniable and obvious advantage almost demands an apology.

Our Government has entered upon a vast scheme of harbor and river improvement, and in a majority of cases the prevailing argument has come to a foundation on competition with railroad carriage—for improvement of depth and width of channel in bay or estuary or lake or river or creek. Would it be accepted by any gentleman here in open confession that he was opposed to the building of the Mussel Shoals Canal on the Tennessee, or the dredging and snagging of the upper Red River, or the San Joaquin, or the Connecticut, because it will keep railroad fares at a low figure or because—as in the instance of the Tennessee River improvement—it will have the future effect to largely reduce railroad freight charges on several lines of road? If the Government, if Congress may constitutionally, may justly—ought in duty bound so to do—change raft rapids into safe steamboat water ways and convert shallow sloughs and brooks into navigable streams, when a first mentioned and most desired effect will be the pulling down of same railway tariff to a reasonable scale, how comes it that it is beyond our authority or outside of policy and propriety for us to say distinctly that all freight and passenger fares shall be reasonable, and fix in precise terms a maximum for such charges?

Since river and harbor improvements began under our Government, many thousands of miles of streams have been rendered navigable by Congressional appropriation and work paid therefrom, while scores of harbors have been opened—sometimes created—on seashore and lake bank:—in evident, in announced and boasted endowments and labor against railroad company freight schedules.

Suppose that you could travel as fast by water as by rail. How absolute would this rivalry of the Government with private railroad corporations appear on nearly every occasion of river or port opening or improvement? I believe that soon we shall steam over the waters of the ocean and great lakes as rapidly, at least, as over the iron track, and will only be deprived of equal speed on the rivers by considerations of precaution against collisions in comparatively narrow channels and at sharp elbows in the course. In such an event the interference and alleged arbitrary impairing or destruction of private business enterprise, by our regular and systematic river and harbor cleanings, enlargements and creations might be often considered by railroad monopolists as intolerably flagrant.

We have already established a precedent for Government construction and ownership of railways by the excavations made at Government expense for navigation, safe anchorage, and dock ground. And in almost every instance we have by such action cut down the rates of the railroads—some times as much as 70 per cent.

Leaving in part out of estimate our commerce with foreign countries, every harbor improvement is a measured blow at unreasonable railroad charges. But we have gone far beyond the line of navigation—that was early in the history of our national life constitutionally protected from any intrusion by dams and bridges;—and the demand is warranted for reasonable rates, ascertained and secured on simple and unembarrassed application to the courts of the country, with full and complete and final jurisdiction there under the precise letter of our laws.

Says the gentleman from Pennsylvania [Mr. BOYLE]:

If Congress has the power to declare rates shall be reasonable, then Congress has the right to determine what are reasonable rates.

That proposition has not been fairly met since its utterance. Taking the affirmative on the premises, the conclusion seems to me to be irresistible—only changing the permissive to the imperative or obligatory phrase. Congress ought to exercise the claimed and generally conceded right. And if Congress can authorize and appropriate money for the building of canals and the converting of rivulets into rivers for navigable purposes, on distances competing with railroads, then surely Congress may prescribe limits to charges upon interstate commerce.

If Congress may create canals and rivers (and that, too, quite within one State), may it not build railroads? If we may build railroads may we not fix a maximum to railroad tariff? If we may aid, by land and money grants in the construction of a railroad, may we not construct and own and operate railroads, as a Government? In other words:—is it constitutional to give the lands and loan the money of the people to an individual or association for canal or railroad building, but at the same time unconstitutional for the Government to sell its lands and devote the proceeds to building a Government road?

It must come to a mere question of policy.

If we had reasonable fares, there would be no thought of exercising the power inherent in the Government to restrict and forbid.

Opposition to direct legislation on this subject by Congress, or favor for the passage of a commissioner bill—which amounts practically to the same thing at this time—is sought to be raised or nursed by an appeal to shippers or consignees at what have been called terminal points. Let us look at that for one moment. It has been said here or elsewhere with reference to this issue that San Francisco, for instance, is interested in defeating the passage of the fourth section of this substitute. Why? I like to meet these things fairly and frankly. Let us have the reason why? Because, forsooth, if as much is charged for hauling from New York to Winnemucca or Virginia City as the aggregate of through charges from New York to San Francisco and thence back to Winnemucca or Virginia City, the people of Winnemucca or Virginia City will do their trading in San Francisco rather than send their orders to New York or Chicago. Is that so?

In the first place, it is no part of the business of any railroad corporation to build up one locality to the detriment of another. If incidentally, under legitimate rule and management, it happens that the construction of a railroad through one town and into another changes the proportion of the population or the tide or amount of business, we may well join with the gentleman from Maryland [Mr. FINDLAY] in deploring the result—if we have friends in the depopulated district, or a lively wish and anxiety for all possible prosperity everywhere—while declaring that there is no just cause for complaint against the corporation. But when a railroad company starts out with or proceeds upon



the proposition that they will in the way suggested, and as a part of a selfish scheme, contribute to the maintaining of business activities in one place, or the enhancing of them, to the detriment of another, it assumes a vocation that should be challenged by legislation. Fortunate are we if we have the privilege and prerogative of checking or stopping these plans and purposes.

As a matter of fact, the mere charge—unjust and extortionate as it is—of a freight tax from New York to Winnemucca or Virginia City equal to that which would be incurred by sending the goods direct to San Francisco and shipping them back to the points in Nevada which I have named, does not result in throwing business into San Francisco. I believe that the practice is to leave the freight as the train goes along, at Winnemucca or at Reno, though the tariff is as has been stated. Then the merchant at these Nevada towns, if he has any Eastern connections in the way of business, will certainly prefer to have his goods come with one straight shipment, even though he paid the amount that would be required for pulling them over the Sierra Nevadas and rolling them back. In order that the excess have any absolute weight in this direction the railroad company must charge more for shipping from New York to Winnemucca direct than for shipping to San Francisco and returning to Winnemucca; and will any one rise here and dare to put up that kind of a schedule as something that under any considerations whatever should be literally tolerated? Take that immense distance—across that range of the Sierras—and will you say that they may justly add yet more to the Winnemucca freights than the aggregate of charges for transportation on the railroad from New York to San Francisco and back to Winnemucca on the same track?

I can not understand how this effort to deny the justice of the rule contained in the substitute bill as to long and short hauls can withstand a single night-watch of reflection, on the part of an unprejudiced legislator. The difficulty, as it seems to me, with my much-respected friends who live upon the Atlantic border, in the New England or in the central Commonwealths—the difficulty with them in these premises is that their judgments are warped by the statements and reasonings of the monopolists and their lawyers—who have had their attention so long—exclusively for years—largely through public journals—that they have been accustomed to respect, and that were once respectable, that they can not realize the effect of these discriminations—simple and unmistakable as it seems to us. Do they comprehend the magnitude of the possible and oftentimes the actual extortion in cases where the train goes out on the prairies and over the mountains,—long distances where there are no competing water ways and the parallel railways are at the same time many hundreds of miles distant in their transcontinental beds, and either under the same ownership or (what is practically the same thing) under a common agreement for schedule charges?

Mr. Speaker, did it ever occur to you why this proposition to charge more for a short haul than for a long haul is never brought to bear on passenger traffic? O, if these managers and speculators in railroad councils could only extract a little more from the traveler! It does cost as much to touch the borders of California with your foot by the Central and Southern Pacific Railroad routes as to ride to the harbor of San Francisco. But no need of this limitation there. Why not? Alas, for the inherent power of locomotion on the part of each individual and the degree of intelligence that characterizes the very humblest and most unsophisticated of our immigrating population! For if more should be charged for

a ticket from Castle Garden or the Union Depot in New York, or from the Baltimore and Ohio or the Baltimore and Potomac station in Washington, to Fort Yuma, or to Truckee, than for a ticket from the same starting places to San Francisco, it would not take a great while for the nine hundred and ninety-nine out of every thousand who might be interested in this traffic—all verdant of mind and guileless of “business” tricks as many of them are—to learn the advantage of purchasing a through ticket, and quietly stepping off at Fort Yuma or Truckee, or at other intermediate points of destination, when the train shall have there arrived. Ah, what a pity that these “generous” men—and I will refer more particularly to the use of this adjective by and by—did not have the power to lock people into their cars, not for temporary precaution, on a between-station trip, as is done in Europe, but by right inherent in them as toll-gatherers, and enduring under a ticket-commitment writ;—whose just privilege it was to compel the traveler to increase his mileage disbursements in proportion to the distance within a given section which he did not travel! Does this sound ludicrous? Or has it an exasperating suggestiveness?

And while we are on this point of prejudice, which it is sought to create or to extend or deepen at so-called terminal points, consider that if the goods are carried past an intermediate station and actually turned around and sent back to the ultimate destination without breaking bulk, no one outside of the railroad company at the terminal point is by any possibility benefited,—no more than if the goods were dumped out of the car at the intermediate station, although the schedule charge paid by the consignee be for through carriage and return. When you sift them there is not any substance of argument in all the volumes of words that have been shed abroad from monopoly headquarters in the oft repeated and desperate efforts to breed favor for the atrocious extortions to which I have alluded, and against which it may be said that this substitute as it now reads will, when in statutory force, afford some, but yet inadequate remedy and relief. Here is something in the right direction, responsive to our pledges and immediate in its effects, so as far as it goes. (See Appendix E.)

The fact that some able gentlemen who are intensely hostile to the substitute bill support the committee bill inclusive and without qualification—the first sections of the latter providing for a limited appeal to the courts—is evidence contributing if not conclusive on the proposition that the commission half of the measure reported would prove, as I have tacitly assumed all through, to be the effective in the sense of being the superseding portion. We are not at liberty to assume that the Senate would, if presented with the committee’s bill, strike off the seven paragraphs complained of and denounced by those who favor a commission.

In a speech delivered in this House on December 4 by the distinguished and all-accomplished gentleman from Massachusetts [Mr. LONG] it is stated:

The \$6,000,000,000 or more invested in the 125,000 miles of railroads in the United States pay only about 3 per cent. per annum to their stockholders.

This statement is presented in plausible juxtaposition, as though intended to show that the rates for transportation charged by the railroads are not excessive. While claim is not made on this basis precisely, not in so many words, the whole context of the paragraph helps to leave the impression indicated—in fact renders the statement argumentative, as remarked.

Let us examine this in the light of the indisputable record presented by Poor's Railroad Manual. I quote from a statement with respect to year ending December 31, 1882:

Total mileage of roads.....	112,412
Total capital stock.....	\$3,456,078,196
Total funded debt.....	3,184,415,201
Total floating debt.....	255,170,502
Total.....	6,895,663,899

Now, it is upon this sum, which represents the total stock, bond, and floating debt of the railroads, that the insufficient, or at least not excessive, interest is said to be drawn.

Observe how this is answered—if answer seems to be necessary—by that which I shall now read from the same Manual and the same report:

The increase of the shares, capital, and indebtedness of the railroad companies for three years ending December 31, 1882, was \$2,023,646,842, or a cost of \$70,000 per mile.

Increase of debt during same period:	
Funded debt .....	\$864,926,029
Floating debt .....	98,289,910

Total .....	963,215,939
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Or about \$30,000 per mile as the cash cost.

It is safe to say that the actual cost of expenditure upon all the railroads within the United States within the past three years did not exceed \$1,050,000,000, a sum \$973,000,000 less than the increase, in the period named, of capital and indebtedness of the companies named.

Of course such an enormous increase in liabilities is greatly to be regretted.

Now, assuming the above estimate of Mr. Poor to be correct as to the cash cost per mile of the road, and applying it to the total mileage and the total cost of the roads in the United States up to December 31, 1882, it appears that as \$70,000 per mile (the stock and bonded cost) is to \$30,000 per mile (the cash cost), so would \$6,895,663,899 (the cost including watered stock and bonds) be to \$2,955,284,528 (the cash cost). From which it will be seen that if, as asserted by the gentleman from Massachusetts, these railroads can now pay dividends of 3 per cent. on an average on their total shares and bonded and floating debt cost, they must of necessity be paying on an average fully 7 per cent. on their cash cost—on that sum which is the only true basis upon which to found estimates of profit.

But let us look at Mr. Poor's Manual again. In his book of 1884 he gives the following statistics on the railroads of the United States, up to December 31, 1883:

Total mileage .....	120,552
Total capital stock.....	\$3,708,060,583
Total funded debt.....	3,455,040,383
Total floating debt.....	333,370,345

Total .....	7,496,471,311
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Miles of road completed in the three years ending December 31, 1883, 28,445.

Miles completed during year 1883, 6,001.

Increase of share, capital, and indebtedness of all companies for three years ending December 31, 1883, \$2,093,433,054.

The cost of new mileage as represented by share, capital, and debt, being about \$70,000 per mile.

Increase in debt for the three years ending December 31, 1883, was:	
Funded debt.....	\$924,164,440
Floating debt.....	169,880,406

Total .....	1,094,044,846
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Cost of the mileage constructed certainly did not exceed \$30,000 per mile.



Assuming this to be correct and applying the rule of three to the problem, we find that on December 31, 1883, the sum is as follows:

At \$70,000 per mile—the stock and bonded cost—is to \$30,000 per mile, the cash cost—so would \$7,496,471,311 the stock and debt cost of 120,152 miles, be to \$3,164,134,484, the cash cost thereof.

So that it appears that the reputed cost of these roads is at least two and one-third times greater than the cash cost, taking Mr. Poor's Manual as our authority. And in this connection it should be borne in mind that Mr. Poor has evidently based his calculations as to the cost per mile entirely on the bonded and floating debt. Now, in nearly every instance these bonds are taken or sold by the contractors for less than par, leaving them (even with this discount) a large profit on the contracts. Hence it follows that the actual cash cost must average a good deal less than \$30,000 per mile. (See Appendix F 1 and F 2.)

I was astonished to hear from the distinguished gentleman from Massachusetts this declaration:

Rates are generally reasonable, and, on the whole, generous to the people.

While I would dislike to be considered hypercritical or too ready to draw out a possible latent meaning, I can not forbear calling attention to the significance that may well be attached to the last clause in this sentence,—“generous to the people.” My honorable friend may have been far from purposing to convey the idea of lordly condescension which the adjective so used imports or as it might most naturally be interpreted in such a relation. “Generous to the people!” Inadvertently, no doubt, the gentleman has borrowed a phrase ready and agreeable in the mouth of the monopolists of this country, their agents and attorneys.

There is no recognition in any one of these speeches which are hostile to direct legislation on this subject, or opposed to sections of direct legislation unaccompanied by sections establishing a chancery commission, no recognition whatever of the fact that thousands upon thousands of miles of these roads have been built with the aid of subsidies and by land and bond gifts from every source competent to endow—the endowment in some of the Pacific roads far exceeding the cost of the road. “Generous to the people!” Go read the schedule rates, where you can find them, for transportation of persons and property on the Pacific railroads—over railroad tracks that, I repeat, for thousands of miles in the aggregate were literally laid upon the lap of Mother Earth [Appendix D], and even extended at great unnecessary curvature and angles in order to increase the distance upon which land sections and Government bonds might be demanded.

“Generous to the people!” Probably with respect to many local roads, and doubtless with respect to some in good old Massachusetts, the inquiry and effort in the management is to accommodate the people at most reasonable terms. But how can any one suppose that such is the attitude in which the great railroad magnates, who have been named, present themselves in their councils? Is it their inquiry, “How cheaply can we afford transportation and reap a fair profit from the actual investments in this or that road?” Does any one pretend that that is the question which they put to themselves and to each other? Why, in California they do not affect to deny, but distinctly and defiantly proclaim, a tariff based on “as much as the traffic will bear.” Come now! of all the mockeries or jocularities that were ever indulged in in the name of “business interests,” would not this be rightly accounted the superlative, transcendent, unsurpassable derision of the fact?

I am referring to the master speculators who control the long lines of railroad traffic. What reason or justice in seeking to institute a comparison or draw a precedent in advocacy of this commissioner proposition from the alacrity with which local railroad managers in the city of Boston, where there is a public sentiment that at times can not be withstood by any corporation within its boundaries, obey the demands of the people for depot space and convenience? I respectfully submit that such an illustration, with its avowed object, has about the same reason or logical force as was exhibited in the use of the tables of the honest but fanatical opponent of our district-school system, who traversed our country a few years since and sought to show that our popular educational privileges and arrangements should be abolished; by contrasting the number of young persons in the rural sections of Virginia, reported as suffering from diseases due to habits of dissipation, with the longer census of youths living amid the teeming populations of ocean-side cities and towns in New England, and similarly afflicted.

Mr. Speaker, the speculating managers and manipulators of railroad interests in this country have not treated the people "generously;" but quite to the contrary. These emperors within our Republic have not treated the people decently. (See Appendix G.) Were they not boastfully incorrigible we should have inclination to pray that without the restrictive force of law they might reform some of their methods altogether. It is true that they would not have made so many millions if they had dealt fairly by the people, instead of watering their stock and keeping up or increasing or insufficiently reducing their charges. By playing in the market, by gambling in the great exchange rooms, while they increased their shares or (occasionally) diminished them, and speculatively increased or diminished their charges for transportation, and diminished (but never increased) the wages of the laborers on their lines, some men have amassed immense fortunes; have acquired millions in values where they might have had but one million under an honest management and control. I can not combat the probable truth of such statement or supposition. Vast wealth has come to the gambler where far less of riches would have been in all probability the recompense of the honest man engaged in the same enterprises. I am bringing a moral element into consideration. Will it provoke a smile or a laugh? Very likely. "Why," it has been and will be said, "anybody would have done the same thing under the same circumstances; anybody possessed of equal intelligence and an equal comprehension of the advantages of the situation—to the unscrupulous." I deny it. You say that these men have been or are generous to the people. I deny it. The record shows they have been neither generous nor honest. But I agree with you that they ought to have been honest and fair and just, and that then there would have been no need of national or State legislation of the character that is contemplated here. The world knows that they have not been honest, to say nothing of generous. For the venal world is deriding the man who would or does say that under similar opportunities he would not play the rascal and the extortioner in the same manner that Vanderbilt, Gould, Huntington, Stanford, and Crocker and their immediate associates have done.

In one breath it is said that this substitute bill will be destructive of business interests, and in the next breath it is declared that it will be a *brutum fulmen*. And then there comes an agreement that a commission which shall be above all things a board of inquiry, and secondarily and perchance a certificate-giver unto a victimized shipper on



his road from a United States district attorney's office—where he must have paid his special fee—to a United States court of justice, is the right thing to be first-born of experimental legislative work here on this subject. All legislation of this kind, or of any kind on this subject at this time, may be said to be experimental. With the experience of the past, let us have a reasonable "experiment" now in the line of progress. The power belongs here, and should be kept here and exercised with direct lettering. Whatever inquiry is necessary should be made by the committees of this House, session by session and day by day. Pass this commission bill and you are building up a wall and bulwark for the railroad-stock manipulators and the monopolizing extortioners in railroad management.

Mr. Speaker, we must make further advance by legislation on this subject. We have no advance so far to chronicle;—save that exhibited in conceding that in deference to public sentiment some kind of legislation under this title must be had. But outside of the monopoly councils and stock exchanges there is ground and cause for the popular demand for reformatory legislation. It is notorious that there is corruption in every part of the Government by reason of the solicitations, first to the officers who administer the laws as they exist, and then addressed to the Representatives, as those Representatives propose, in obedience to popular requirement, to take some legislative action in the premises. State Legislatures and State commissioners can not reach this subject in its length and breadth. There must be action by the National Legislature, supervising, limiting, controlling, reforming. Corruption runs riot in the land. Jay Gould, C. P. Huntington, and associates unlock their vaults in every political campaign and disburse their greenbacks and their gold by hundreds of thousands of dollars to secure the election of men who will be their creatures or who will not be their antagonists. This is notorious. How long is this to continue? Bring these corporations down to reasonable fares and freight charges and they will have no motive for corrupting elections. Behold, now is the hour to lay the ax at the root of the tree.

Consider the magnitude and consequent prevailing strength of the temptation. Many a man goes into the halls of other capitolis who could not be purchased in the corrupt sense for a hundred or a thousand or perhaps five or ten thousand dollars. But the offer comes for fifty and a hundred thousand dollars, and then he falls! So there is a judge upon the bench whose opinions and judgments may not be for sale in the thousands notch. But the hundreds of thousands or the millions which can overcome his virtue are at hand. What is the dire conjunction? It is an exigency and a competency. An exigency where it is worth thousands and tens and hundreds of thousands to a given corporation or association of corporations to prevent the passage of a certain bill or to secure the repeal or amendment of a particular statute. This being worth so much, as I have stated, it implies possession of the money by the corporation or corporations with which—howsoever it may be effectively applied—to secure the passage or defeat enactment. And so with the decisions of courts. Now it is worth millions of dollars to Jay Gould and C. P. Huntington and company to have and to retain and to enlarge the power which dwells in their hands to-day.

I will place in an appendix to my speech a list of the Huntington and Gould roads, as in itself sufficiently and appallingly indicative of the tremendous influence which these men and their partners can exert if and when disposed so to do. If this substitute bill is not indeed—or

will not prove to be—a *brutum fulmen* on the statute-book, then it is worth thousands of dollars for the railroad magnates to defeat its passage. The temptation, the corrupting forces exist; and they will continue to be exerted, to demoralize and to debauch legislation through and through, until these tyrants are by some legislative methods displaced, dethroned, or compelled to transact their business within the lines of justice and right. It is remedial, reformatory, emancipating Congressional legislation, or it is Revolution.

The man in office once bribed is as an officer gone for all time. Those who have had to do with seducing him are thenceforth his masters while he remains in office and while he make a pretense to honor. When he becomes shameless, then he is comparatively worthless even in the eyes and according to the measurement of the monopolists.

How sickening is this spectacle! editors and clergymen prating about the corruption of the times and in the same hour lauding to the skies the infamous wretches who of all others have most to do, have almost always something to do in an initiative and supporting sense, in polluting the national fountains of justice.

It has been said by some disputants here that they are not "opposed to railroads." Who is, pray? Certainly there is no one here of such feeble intellect that he can not comprehend in general the excellence of their achievement in civilization. The spectacle of a steam-engine in motion is one of ever fresh and abiding interest.

In his comedy of "The Flying Scud" Boucicault puts in the mouth of one of his characters an exclamation of surprise over the deplorable fact that so noble an animal as the horse should be the direct cause of such ineffable meanness in man. With far greater emphasis might we utter sentences of wonder over the greed and rascality that in a like sense of paternity might be attributed to the birth and splendid power of the iron steed.

It has been said that charges for railroad service are less in this country than in Europe. There are many reasons why they should be in some instances much lower here than there,—in cases where the lower rates can with truth be claimed. But it is also true that there is a gross deception in the figures that are sometimes given in this relation—a deception with respect to which there is often no guilt on the part of the speaker. When the class and character of conveniences afforded, under the names of first, second, and third-class for passengers, and fast and special and slow for freight, are shown—for a full and comprehensive and therefore just comparison—these taken in conjunction with estimate of cost of construction, maintaining, &c., and dividends on actual cost—it will be seen that we are far behind the people of European nations in the matter of railroad accommodations at reasonable prices.

It has been repeatedly said or intimated that the railroad managers were continually and carefully studying the problems of transportation; that their time was largely absorbed in anxious efforts to graduate their rates on a correct basis or scale and develop traffic to the uttermost. On local lines there is such inquiry and endeavor; but with the great monopolists the fact is quite to the contrary. It is with these large stockholders and stock manipulators simply a proposition of how they can best make a tricky turn in the market by a change in the rates, or, which is more frequently the case, by stock sales or purchases on the instant adopted to "bull" or "bear" to their advantage. There never was in this country any systematic and extended study of the absolute and comparative cost of carrying different articles by rail until Albert

Fink began his inquiries as to relative expenses and trade areas, on the Louisville and Nashville line and its branches and immediate connections.

On the Pacific coast, especially in California, the inquiry is made in each individual case: How much is the profit? or What will probably be the market price of this article now offered for transportation? What is this bushel of potatoes worth in Los Angeles? What will it bring the vendor in Tucson? These questions being answered, the freight is fixed at a sum that will absorb the larger part—from 70 to 80 per cent.—of the profits.

For pulling a car-load of watermelons and peaches last October from Fresno City to Modesto, Cal., a distance of about eighty miles over a level country, the charge was \$95—nearly or quite twice as much as the charge would have been for similar carriage to San Francisco, one hundred and ten miles beyond Modesto on the Southern Pacific line. The consignees protesting, and refusing to unload the melons, and the item—one of many of like character—being of some value in the local campaign as an illustration of the extortions of the company, there came a telegram reducing the demand about 50 per cent. It was thought that on account of the property being of a quickly perishable nature the fruit merchants would be compelled to pay the enormous sum named on the hour of demand, but the Modesto market being unexpectedly supplied at the time, from sources and by means not necessary to mention here, the fact of threatened decay and destruction contributed to force the San Francisco agents—who were only faithfully carrying out their employers' general orders, to "charge all the traffi will bear"—to drop the price to an almost reasonable amount.

A few days ago a joint committee of the California State Horticultural Society, the State Fruitgrowers' Association, and the Viticultural Convention complained to one of the agents of the Central Pacific Railroad Company of San Francisco of the outrageous exactions of the monopoly; and it was shown how by a reduction of rates one-half the road would receive ten times as much freight as during the past season,—resulting in a profit to grower and railroad company, besides advantages of many kinds to people in Chicago, New York, and other Eastern cities. All this appears to have been news to the management that is so often represented in the attitude of desperate, midnight-oil contemplation and worryment on such subjects!

Give us a direct law and our people, individuals and voluntary associations, will do and perform all necessary work of inquiry and investigation that is needed outside of the fit and not properly delegated labor of committees of Congress. The true interests of all honest and worthy stockholders are to be conserved and promoted by straightforward prohibitory legislation without the intervening of commissions;—to say nothing whatever of our transferring our authority altogether.

The Union, Central, and Southern Pacific railroad charters expressly provide for fixing the passenger and freight fares on those roads by Congressional action—direct tariff-rating in a Federal statute—and in conformity with that provision I introduced bills at the last session which should now be on the statute-book. By reason of their explicit foundation, and because of the fact of far greater extortion by railroad management on the Pacific coast than elsewhere in the Union, such bills as Nos. 99 and 1803 should have first been presented and passed. That was in the natural order of things. But while we lament the failure to do the best that could have been done in the premises, let us not the less



on that account give our hearty support to any and all measures in the class where the substitute bill of the gentleman from Texas belongs.

Pass this substitute bill, make the first reformatory trials under its sections, and then go on, as experience shall advise, to control with closer words these great lines of traffic, and the greater strain of corruption from monopoly sources will be checked; and ultimately it will be stayed when the bills which I introduced, and which were referred to the Pacific Railroad Committee, and which should have had precedence, shall have been enacted into law.

Mr. Speaker, attention has been drawn to the fact that the bill of the committee is peculiar, in that while it forbids pooling it directs the commission to inquire into the expediency of adopting such a prohibitory section. "First hang the man and then try him!" O, how we should have been criticised and ridiculed if we had been guilty of such written proposing. But to my mind this is not so strange, singular as it is, as the position of those who contend that pooling should be allowed, and that there should be no such maximum fixed for freight charges as is found in the fourth section of the substitute bill; and who at the same time concede that there are gross wrongs in the railroad management in our country, and favor the passage of a bill authorizing and creating a board of railroad commissioners. If pooling and rebating are not wrongs to be remedied by Congressional legislation, directly or indirectly, why have we not been told by the disputants to whom I have just referred what wrongs there are in the railroad management that call for any kind of interference by national legislation? Are not gentlemen who take the position indicated logically, absolutely self-accused to that extent that they have no argument in this forum on these points at this time? For it seems to be acknowledged that the greatest evils complained of under the general term "discrimination" are to be more particularly described by the word "rebates." The company's schedule certainly does not say that A shall be charged so much for the transportation of a certain class of goods and B, a merchant in the same city, shall be required to pay a different or a higher sum for the same service.

And there are so many contradictions in the same minute—made unwittingly or inadvertently, I have no doubt—by gentlemen opposed to this substitute bill, that I am at a loss as to which should be most prominently noticed, or which selected to the exclusion of the others. It is conceded that gross wrongs exist in connection with railroad management, and an adjacent declaration is that the conduct of business in this respect has not only been fair but generous. Some insist that rebates should be permitted and are absolutely necessary for the promotion of the "business interest" of the country. And then may follow an illustration which, if it have any force in such juxtaposition at all, is hostile to the general statement I have quoted. We have heard it declared upon this floor, in effect, that the great railroad monopoly speculators are honorable gentlemen, who have nobly earned their wealth and the eminence in power that belongs to the possession of great riches and the control of great enterprises; and immediately follow derisions and sneers and even the "chuckle" of gloating over the unsophisticated countryman who has been induced to invest his hard-earned store in railroad stocks and has become a victim to these same lords of transportation.

Mr. HERR, of Michigan, in his interesting speech of December 9, 1884, very cleverly undertook to defend and extol Messrs. Gould and Vanderbilt; giving them a credit, however, to which I think they have no right, but boasting of their market operations—which properly and in-

disputably belong in their peculiar crown of rejoicing. Mr. HERR said:

Take for example the two men, Gould and Vanderbilt. I take them because they are the men who seem to be ever present in the minds of the gentleman from Texas [Mr. REAGAN] and the gentleman from Kansas [Mr. ANDERSON]. These men are said to have obtained vast wealth, but can any man here say that they have wrung it from the wages of the laboring masses? The roads they own and have built have been paid for.

What an inadvertent or shrewd ignoring of the subsidies and securities by which the Pacific roads were constructed.

The men who did the work, who handled the shovel and the pick, who furnished the ties and laid the iron, have all been paid for their labor. These men have made money, and made it very rapidly in two ways. First, they have taken property that has been badly managed until it could be purchased cheap, they have bought it on the market, and then, by good management, by putting brains into the business, have made the same property valuable. What was worth but little by their superior skill has come to be worth a good deal. Is not that legitimate gain? Such transactions benefit the owners, but they also benefit the country.

Again, these men have undoubtedly made large sums in another way. Scattered all over the country are men who come to the conclusion that they are fitted for careers of speculation, and with their money they rush into Wall street to take a bout with these old "bruisers of the ring." [Laughter.] They at once tackle stocks—"buy long and sell short." A few weeks or months and the contest is over. The "lambs are shorn" and the leaders of the flock return to their fold "fatter and better fed." [Laughter.] The money thus accumulated does not come from the poor people, and takes nothing from the workingmen.

In all the leading current publications of the land, including the principal religious papers and periodicals, advertisements abound, calling upon the people to come forward and purchase these railroad stocks. Often in religious and other periodicals there are editorial indorsements of the stock advertised, or commendations so printed as to bear the appearance of editorial language to the inexperienced reader of such pages. And now the honorable gentleman from Michigan, without knowing it, echoes the laughing speech of "brainy and legitimate" stock-waterers and fleecers of honest, trustful, but simple-minded or unsuspecting men and women.

Mr. Speaker, one of these assertions must be wrong: either there is gross mismanagement requiring the intervention of Congressional legislation, or we have no right or duty in this line of labor as legislators. If there were no evils in the rule of railroad monopoly, justly complained of, provoking a desire and a disposition for Congressional legislative interference, why is not that fact made so plain by the managers, agents, and attorneys of these great corporations that there could not be any kind or sort of question or quibble with respect to it? If there be such wrongs as to admit of or call for Congressional interference, then they are so manifest in general and particular that there is no necessity for a commission of inquiry. The degree of clearness which will warrant or justify any legislation at all upon this subject makes it imperative upon us to legislate directly, without the intervention of an existing or a contemplated commission. I lay that down as a proposition, against which I challenge question or controversy.

"Business interests!" This is a pet phrase at which we must all stand aghast! I must confess that I lost respect for it as a brace of bullying words, to be thrown in the face of every man who seeks for reformatory legislation, when I heard it proclaimed and reiterated during the season when the conspiracy to defraud the people out of their choice for Chief Executive—in 1876-'77—was in process of confirmation and execution. In 1877 no less a man than Montgomery Blair boldly published a pamphlet, in which he declared that the railroad corrup-



tionists were most instrumental in carrying through the plan for stealing the Presidency;—the telegraph monopoly sedulously and successfully co-operating with the pulsating cry of "Hush! The business interests of the country demand its consummation!"

"Business interests!" exclaims and reiterates Jay Gould (this benevolent patriarch—next friend of widows and orphans; who is accompanied in his daily rounds by a gentleman slugger and bully to guard against the affectionate demonstrations of the men and women whom he has befriended and enriched). Hear him! The same man who last summer publicly and conspicuously congratulated one man on his nomination for the Presidency; declaring in his Associated Press dispatches toward the close of the late campaign that his election was absolutely required by the "business interests" of the country; and then hastened to send a telegraphic message of congratulation to another and directly opposing candidate when it appeared that the latter had been chosen to our highest office; congratulating Mr. Cleveland substantially because of his approved official record as a conservator of the business interests of the country. Is it not about time that this phrase lost its blaze and blinding force?

Who is opposed—in all sobriety and common sense let us inquire—to the prosperity of any class or department of legitimate industry? What man of common, ordinary instincts and common honor is not allied in sympathy and hope and resolution with the sincere and intelligent spokesmen of honorable boards of trade and chambers of commerce and leagues of labor? Does Jay Gould or C. P. Huntington or Cornelius Vanderbilt or Norvin Green or Johnny Mackay—do they separately or collectively and exclusively represent the "business interests" of this country? (See Appendix K.)

Why, even the staid and conservative old New York Journal of Commerce has this to say, in a recent issue:

Let any one visit the exchanges and look on a few minutes for himself; *no gambling hell* in any part of the world will show a madder throng or more passionate playing. This was formerly only true of the stock exchange, but it is becoming more and more the leading feature of the several trade exchanges, and shows the character of most of the *business* therein transacted.

Alas! too many people are dazed and stunned by the cheek-filling words and phrases projected with greatest emphasis by those who come from and represent the dens of the speculator, the stock-waterer, the railroad and telegraph monopolists:—even as of old men and women were awed into silence and subjection and craven submission by the loud and emphatic pulpit utterance of anathema blown from the lips of the fanatic and the bigot, the theological tyrant and inquisitor.

The real business interests of this country will be best subverted at this time, so far as interstate commerce is concerned, by the passage of laws that shall forbid and prevent the wrongs and evils that have been partially enumerated on this floor in the consideration of these measures. The true business interests of the people of this country are explicitly opposed to that theory of transportation charge which proclaims that the tariff should be as high as the traffic will possibly bear.

Mr. Speaker, I do not assume, much less assert, that the passage of this substitute bill, which in many particulars is not the bill which I would have drafted or originally urged upon the favorable attention of this Congress, will be a panacea for all our woes or bring us a business millennium. But it is a step in the right direction; it is a movement progressive, and not a pretense in any of its terms; nor are its sections collectively a proposition or a scheme to retire Congress from the consideration of the subject. The passage of this bill means progress. Whether

it—by its present lettering and an honest, active administration under it—will very greatly and lastingly ameliorate and improve the condition of the producer, the trader, and the consumer, or not, it is a beginning of a legislative march of remedy and reform. Has it defects which will be disclosed by the first consideration of courts and shown so many that aggressive and wholesome application can not be had under it,—as would appear to be intimated by some of its opponents? Then future amendatory legislation must come. But if you pass a commission bill, you go back. And you do more than retreat from that combative representation line up to which I understand we have sworn to carry and keep our colors. You fasten a bad system of reference upon us which it may require many years to remove.

Mr. Speaker, what is to bind this great nation together? What are chief among many physical conveniences which ought to be practically at the command of all the people? Rapid intercommunication at reasonable rates; the quickest safe passage of persons and property, and of ideas of every salutary and enlightening sort, for the lowest reasonable sums. Uniform and universal privilege and right in this respect is what should be desired, demanded, obtained, and retained by the people of this country. Not merely cheap excursion rates or picnic party tolls, but the lowest reasonable fares for every-day travel; not only cheap press dispatches by telegraph, but the cheapest day rates for every one who wishes to correspond by telegraph. There is no method by which you can have this great facility and bond between and for all the people save by national, Congressional, direct-action legislation. Do what we will in our separate commonwealths, lawfully conspire as much as we may between commissioners and commissioners in the one State and the others, the achievement and the consummation most needed, most essential for the approximate realization of that felicity and that unity which our Constitution by the very first lines of its introduction in problem and conditional prophecy promises and guarantees, can not be had nor hoped for without such sections as these in the volume of living Congressional laws.

We have not arrived in practice and accomplishment half way up to the mark of the high standard of political civilization which is justly illuminated by those words that remain to cheer and admonish us from that statesman, patriot, and martyr, Abraham Lincoln,—assuming for our Nation the closest approximation to the ideal Republic—"A government of the people, by the people, and for the people."

In part by false use and effective reiteration of a wise saying commended to our consideration—"That is the best government which governs least"—the Congressional legislation which ought to have been had has been misrepresented and refused. And these words have been text and plea, of considerable influence, used by the attorneys of railroad monopolies after enormous subsidies had been granted to private corporations at times when the Government could (and should) have built the roads for which endowment was given at less than one-third the recorded outlay for the same purpose from the people's Treasury and inheritance. It is time that the people acted upon their plain understanding of these matters. The general enlightenment is sufficient. There has been enough preliminary investigation. The subject is popularly comprehended and understood. In great patience, an afflicted people have too long borne the burden of these monopolies. The failure to accomplish that which is commonly and righteously desired at the hand of legislators in this country can not much longer be attributed to other than the most influential and really procuring causes.

"Business interests?" General prosperity? Yes. Abundant opportunity for labor and good wages and resultant happiness for the willing and honest citizen throughout the length and breadth of the land. How are these to be had to such degree and extent as to be characteristic? Expressing a proverbial condition of the Republic? Many things, material, political, moral, spiritual, must enter into the group of acknowledged and gratefully appreciated and jealously guarded and fostered causes. But let there be to-morrow from one end of this nation to the other and in all parts thereof intercommunication for persons and letters and property at the lowest reasonable sums, based upon actual cost, and all save the monopoly masters would rise up and rejoice in a Day of Deliverance from a tyranny unmatched in its meanness, into a new and glorious light of freedom, of privilege, and enjoyment. Not to-morrow will it come, but reason and sentiments of justice and patriotism combine to make us hope and resolve that by all our struggles, under divine guidance and favor we shall yet, in our generation, hail the opening of the era whereof we discern some reflected rays,—having heard the proclamation of its coming in the language of aspiration and benediction from our fathers.

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#### APPENDIX A.

A comparatively few papers are kept on duty, as avowed monopoly sheets, all the time; most of the "organs," however, are on dress-parade "as anti-monopoly" until in a Legislative, or Congressional, or gubernatorial, or Presidential campaign their services—more efficient by reason of their masquerading hitherto or during the interim—are required by the master railroad and telegraph managers and speculators. Then they will be found (all the regular stipendiaries and the special attorney newspapers in harmony and concert) supporting the candidates that are desired and commended by Jay Gould, or Norvin Green, or Leland Stanford, or Johnny Mackay, or C. P. Huntington. So, largely by the aid of a venal press, the monopolists bamboozle and beguile, and are permitted to continue to rob the people.

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#### APPENDIX B.

Since the date of the delivery of this speech, Mr. PHELPS, of New Jersey, has addressed the House and said:

"The railways, if these restrictions should become laws, will ostentatiously break them all. They will invite litigation until the wheels of the courts are clogged. That will challenge public attention, and public attention is redress. Or they will issue an order, which the whole railway system shall obey, that every locomotive from sea to sea shall stay in its roundhouse."

And this language has been approved by the New York Tribune and other organs of Gould, Vanderbilt, Stanford, and Norvin Green.

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#### APPENDIX D.

The time-card issued by the Union Pacific Railroad Company gives all the main stations along the line both of the Union and Central Pacific Railroads from Omaha to San Francisco, together with the distance of each from Omaha and elevation above sea level. In this alone there is conclusive evidence to the mind of any one at all personally familiar with the route that the line from Reno, at the eastern foot of Sierra Nevadas, to Ogden, and especially in the State of Nevada, was built almost entirely without grading, cutting, or embanking. In other words, it was built without any attempt to make a regular grade, the rail being laid on the surface of the country.

Reno, Nev., is 4,497 feet above the sea level, and from there I start the table.

The first column shows the station from which the comparison is made.

The second column the station where the comparison ends.

The third, altitude of last station made.

The fourth, distance in miles between the two stations named.

The fifth, increase in altitude between first station and last station on same line.

The sixth, decrease in altitude between the two stations named.

The seventh, average increase or decrease per mile (of altitude), which is presumed to show the grade per mile.



From—	To—	Altitude of last station.	Distance.	Difference in altitude.		
				Increase.	Decrease.	
		<i>Feet.</i>	<i>Miles.</i>	<i>Feet.</i>	<i>Feet.</i>	<i>Feet.</i>
Reno.....	Wadsworth .....	4,077	34	.....	420	12 $\frac{1}{2}$
Wadsworth.....	Mirage.....	4,277	26	200	.....	7 $\frac{3}{4}$
Mirage.....	Granite Point.....	3,918	28	.....	359	12 $\frac{3}{4}$
Granite Point.....	Humboldt.....	4,236	42	318	.....	7 $\frac{3}{4}$
Humboldt.....	Mill City.....	4,226	11	.....	10	1 $\frac{1}{2}$
Mill City.....	Winnemucca.....	4,332	29	106	.....	3 $\frac{3}{4}$
Winnemucca.....	Golconda.....	4,385	16	53	.....	3 $\frac{1}{2}$
Golconda.....	Stone House.....	4,422	24	37	.....	1 $\frac{1}{2}$
Stone House.....	Battle Mountain.....	4,511	20	111	.....	5 $\frac{1}{2}$
Battle Mountain.....	Be-o-wa-we.....	4,695	33	184	.....	5 $\frac{1}{2}$
Be-o-wa-we.....	Palisade .....	4,841	18	146	.....	8 $\frac{1}{2}$
Palisade.....	Carlin.....	4,897	9	46	.....	5 $\frac{1}{2}$
Carlin.....	Elko.....	5,063	23	166	.....	7 $\frac{3}{4}$
Elko.....	Halleck.....	5,230	24	167	.....	7
Halleck.....	Deeth.....	5,340	13	110	.....	8 $\frac{1}{2}$
Deeth.....	Wells.....	5,629	20	289	.....	14 $\frac{1}{2}$
Wells.....	Independence.....	6,007	15	378	.....	25 $\frac{1}{2}$
Independence.....	Toano.....	5,973	21	.....	34	1 $\frac{1}{2}$
Toano.....	Tacoma.....	4,812	26	.....	1,161	44 $\frac{1}{2}$
			438	2,311	1,984	

Miles of track Reno, Nev., to Tacoma Station, 438.

Difference in altitude increases between stations, total.....	<i>Feet.</i> 2,311
Decreases between stations, total.....	1,984

Total for 438 miles..... 4,295

Highest grade from station to station, as shown by above table, 44 $\frac{3}{4}$  feet per mile; lowest,  $\frac{1}{4}$  of a foot per mile; average, 9 $\frac{1}{2}$  feet per mile.

#### APPENDIX C.

The following is the twenty-second section of the constitution of California, providing for a board of railroad commissioners, conferring exclusive powers upon the board, &c. The majority of the new board has proved recreant to pledges, platform and individual, and California is still subject to the grossest extortions in fares and freight charges.

"Sec. 22. The State shall be divided into three districts as nearly equal in population as practicable, in each of which one railroad commissioner shall be elected by the qualified electors thereof at the regular gubernatorial elections, whose salary shall be fixed by law, and whose term of office shall be four years, commencing on the first Monday after the first day of January next succeeding their election. Said commissioners shall be qualified electors of this State, and of the district from which they are elected, and shall not be interested in any railroad corporation, or other transportation company as stockholder, creditors, agent, attorney, or employé; and the act of the majority of said commissioners shall be deemed the act of said commission. Said commissioners shall have the power, and it shall be their duty, to establish rates of charges for the transportation of passengers and freight by railroad or other transportation companies, and publish the same from time to time with such changes as they may make; to examine the books, records, and papers of all railroad and other transportation companies, and for this purpose they shall have power to issue subpoenas and all other necessary process; to hear and determine complaints against railroad and other transportation companies; to send for persons and papers; to administer oaths, take testimony, and punish for contempt of their orders and processes, in the same manner and to the same extent as courts of record, and enforce their decisions and correct abuses through the medium of the courts. Said commissioners shall prescribe a uniform system of accounts to be kept by all such corporations and companies. Any railroad corporation or transportation company which shall fail or refuse to conform to such rates as shall be established by such commissioners, or shall charge rates in excess thereof, or shall

fail to keep their accounts in accordance with the system prescribed by the commission, shall be fined not exceeding \$20,000 for each offense, and every officer, agent, and employé of any such corporation or company who shall demand or receive rates in excess thereof, or shall in any manner violate the provisions of this section, shall be fined not exceeding \$5,000, or be imprisoned in the county jail not exceeding one year. In all controversies, civil or criminal, the rates of fares and freights established by said commission shall be deemed conclusively just and reasonable, and in any action against such corporation and company by damages sustained by charging excessive rates, the plaintiff, in addition to the actual damage, may, in the discretion of the judge or jury, recover exemplary damages. Said commission shall report to the governor annually their proceedings and such other facts as may be deemed important. Nothing in the section shall prevent individuals from maintaining actions against any such companies. The Legislature may, in addition to any penalties herein described, enforce their article by forfeiture of charter or otherwise, and may confer such power on commissioners as shall be necessary to enable them to perform the duties enjoined on them in this and the foregoing section. The Legislature shall have power by two-thirds vote of all the members elected by each house to remove any one or more of said commissioners from office for dereliction of duty, or corruption, or incompetency; and whenever from any cause a vacancy in office shall occur in said commission, the governor shall fill the same by appointment of a qualified person thereto, who shall hold the office for the residue of the unexpired term, and until his successor shall have been elected and qualified.

#### APPENDIX E.

The following is the twenty-first section of the constitution of California, providing against the short-haul extortion. It was fully discussed in the recent California constitutional convention, and there adopted (and afterward by popular vote) by a large majority:

"No discrimination in charges or facilities for transportation shall be made by any railroad or transportation company between places or persons, or in the facilities for the transportation of the same classes of freight or passengers within this State, or coming from or going to any other State. Persons and property transported over any railroad, or by any other transportation company or individual, shall be delivered at any station, landing, or port at charges not exceeding the charges for the transportation of persons and property of the same class in the same direction, to any more distant station, port, or landing. Excursion and commutation tickets may be issued at special rates."

#### APPENDIX F 1.

*Stock, bonds, and mileage of principal railroads in the United States at the present time.*

Company.	Miles.	Stock.	Bonds.	Stocks and bonds per mile.
Atchison, Topeka and Santa Fé.....	1, 820	\$56, 913, 000	\$42, 542, 996	\$54, 646
Central of New Jersey .....	530	18, 563, 200	62, 237, 000	152, 543
Central Pacific.....	1, 215	59, 275, 500	82, 054, 680	93, 394
Chesapeake and Ohio.....	521	32, 818, 110	32, 528, 500	125, 425
Chicago and Alton.....	850	17, 660, 572	11, 423, 400	34, 216
Chicago, Burlington and Quincy.....	3, 998	79, 055, 000	85, 030, 186	41, 041
Chicago and Northwestern.....	4, 181	63, 700, 321	93, 169, 820	37, 519
Chicago, Rock Island and Pacific.....	1, 381	41, 960, 000	17, 500, 000	43, 055
Chicago, Milwaukee and Saint Paul....	4, 760	47, 445, 244	102, 727, 000	31, 548
Chicago, Saint Paul, Minneapolis and Omaha.....	1, 280	31, 916, 700	21, 636, 800	41, 838
Cleveland, Columbus, Cincinnati and Indianapolis.....	391	14, 991, 600	8, 227, 162	59, 383
Delaware and Hudson.....	149	23, 500, 000	18, 763, 000	199, 353
Delaware, Lackawanna and Western....	887	26, 200, 000		80, 798
Illinois Central.....	2, 007	39, 000, 000	17, 996, 000	28, 398
Indianapolis, Bloomington and Western.....	344	10, 000, 000	14, 137, 300	70, 166
Lake Shore.....	1, 340	50, 000, 000	46, 141, 000	71, 747
Long Island.....	182	10, 000, 000	5, 394, 019	84, 582
Louisville and Nashville.....	2, 065	25, 000, 000	74, 530, 962	48, 199

*Stock, bonds, and mileage of principal railroads, &c.—Continued.*

Name of road.	Capital stock.	Bonded debt.	Stock and bonds per mile.	Miles of road.
Michigan Central.....	\$18,738,204	\$22,630,000	\$126,120	284
Missouri Pacific.....	29,962,125	26,859,000	57,431	990
New York Central.....	89,428,300	49,997,233	140,408	993
New York, Lake Erie and Western .....	85,284,600	75,267,137	123,883	1,296
New York, New Haven and Hartford ...	15,500,000	5,000,000	79,766	257
Norfolk and Western.....	21,975,000	15,284,600	74,521	503
Northern Pacific.....	88,807,068	70,836,690	68,457	2,332
Pennsylvania.....	92,619,750	56,770,150	113,690	1,314
Philadelphia and Reading.....	34,734,675	124,363,685	170,706	932
Richmond and Danville.....	5,000,000	9,598,000	19,428	756
Saint Louis and San Francisco.....	25,000,000	24,102,000	63,275	776
Saint Paul, Minneapolis and Manitoba..	20,000,000	33,518,000	44,498	1,203
Texas Pacific.....	32,161,900	43,283,139	50,736	1,418
Union Pacific.....	60,868,500	136,863,653	82,595	1,819

In some of the above the total debt does not show alone the cost of the road, as, for example, Delaware and Hudson has large amounts of coal lands.

## APPENDIX F 2.

In the estimates of cost per mile of the Central Pacific, Union Pacific, and other roads the calculations have been for construction alone, and does not include railway stock, &c. The following letter is from the New York Times of December 31, 1884, and is instructive as to actual cost of railroad construction :

## "THE MEXICAN NATIONAL RAILWAY.

"To the Editor of the New York Times :

"In your issue of 26th instant, a New Orleans correspondent charges extravagance in the construction of this road, alleging that it has cost \$90,000 a mile to build road involving no difficulty or exceptional element of cost. This is so wide a misstatement of fact that I venture to ask a correction.

"In point of fact, \$90,000 per mile is more than four times the cost of the construction and equipment of this road. The building being done in a foreign country has involved exceptional elements of cost, and much of it has been through a mountainous region, and in ascending the plateau from the level of the sea. Notwithstanding it is being built and equipped at an average cost of not exceeding \$20,000 per mile—the original estimate. There are to-day nine hundred and ten miles constructed which have been built at a cash cost—leaving out rolling-stock and interest during construction—of \$18,596,857, being \$20,436 per mile, or \$23,000 per mile including rolling-stock.

"This includes organizing the whole system, and the building of the most expensive section of the northern and southern ends, including one division from the City of Mexico to Toluca—forty-six miles—crossing a mountain range at 10,000 feet above the level of the ocean which cost about \$75,000 per mile.

"There are also five hundred miles additional surveyed, located, and partially constructed. This mileage is to complete the link of three hundred and sixty-nine miles in the through line from the United States to the City of Mexico, and to finish one or two short branches to coal-mines and forests. Detailed estimates made by the best engineers show that this five hundred miles can be completed at an additional cost of \$5,360,000, making, say, 1,400 miles, costing \$23,956,857, or an average of \$17,112 per mile. These five hundred miles can doubtless be built within the estimate above given if construction were entered on now, since labor and materials are cheaper than they were when these estimates were made, and the whole could be finished within nine months.

"When these 1,400 miles—the present 910 miles built and the 500 needed to complete the through line from the City of Mexico to the United States and round out the system—are finished they will have cost, including equipment, not over \$20,000 per mile. For this the owners would have a property of superior solidity and excellence of construction. It is, I believe, the judgment of every railroad man who has visited that country that the American roads in Mexico built under the supervision of the Government and up to a standard required in their concessions are of a character heavier than those of the average railway in the United States.

"WILLIAM J. PALMER, President.

"NEW YORK, Tuesday, December 30, 1884."



## APPENDIX G.

Says Mr. F. B. Thurber, of New York city, one of the leading grocery merchants of the world, in a recent communication:

"At this very moment coal combinations are laying an unjust tax of from one to three dollars per ton upon the coal consumers of this country; an oil monopoly exists which lays its heavy hand upon the light of the masses; both of these great monopolies were created and are fostered by the railways. The business of some communities is dwarfed, while that of others is unduly stimulated, by a disregard of the question of distance and the principle of the cost of the service; the natural currents of trade are dammed up or turned aside at the pleasure of corporate magnates, a case in point being that of the Pacific railways in accepting the bribe of the Spreckels' sugar monopoly to charge 2 cents on sugar from New York to San Francisco and but 1 cent per pound on the same article from San Francisco to New York. Instances of discrimination and favoritism by which one shipper is made rich and another poor are constantly coming to light, of which the recent case in Ohio of Schuremer, Scofield & Teagle against the Lake Shore Railroad is an illustration. In England, where railroads are operated by competing corporations, they are obliged to keep a book at every station for public inspection, giving the ruling tariffs of rates. It is natural that railways should prefer a railway commission, without laws and penalties, to guide them, just as it would be natural for the criminal classes to prefer a police force without specified laws and penalties against crime."

The farmers of the West are willing to divide with the railroads, but when it comes to giving up to the monopolies the entire proceeds of their labor they naturally object, and they are beginning to think that something must be done for their own relief. It is plainly evident that the sentiment in favor of railway regulation by legislation is daily growing stronger.—*Omaha Bee*, December, 1884.

Cases can be cited by the score, and indeed hundreds, in Vermont, where the grossest discriminations are practiced between places and individuals in the same place, without the possibility of excuse. These "way freight" trains are every day delivering freight at one point at half what they charge at intermediate points, where the traffic is fully as large. It is not a question oftentimes of what they can afford to do, but of "what the traffic will bear" or what they have got to do in competition with other roads. The result is that nearly every town which is not lucky enough to have two roads competing for its patronage is bled unmercifully and unrelentingly, its prosperity throttled, its old industries driven away and new ones prevented from locating there. And it is all done really by the delegated authority of the State.—*Bennington (Vt.) Reformer*.

Every quarter of a cent decline in the price of wheat means a loss in the marketable value of the wheat crop of the country of \$1,000,000, and within a few days the money value of the wheat crop has decreased well on to \$20,000,000. But railroad rates remain substantially the same as a year ago, when wheat fetched \$1 a bushel in Chicago, and in many cases, as we have shown, they are higher than they were. The papers are full of accounts of "pool" meetings to "restore rates temporarily cut by railroad wars," but there is never any meeting to "restore" the local rates between stations and non-competitive points, for these have never been let down. When the railroads have had good years they have doubled their stock, as the Rock Island did a few years ago, or they have accumulated a surplus like that of the Northwestern, which now amounts to \$30,000,000, or they have stretched half way across the continent, like the Burlington.

When there come bad years, like these now upon us, the roads insist that the poor farmer shall still continue to make good all this pile of Wall-street fictions. He must go on paying dividends on the capitalization of all the locomotives, cars, and rails the roads ever had, although a large part of them have long since been worn out. The very repairs—made perhaps ten years ago—figure in the volume of the capital stock and clamor for dividends as loudly as the bogus stocks and bonds which have been created by construction frauds and Wall-street watering for the benefit of the managers. \* \* \* Wall street has planted itself on what it fondly believed to be its impregnable power to extort what it wanted. "Only over our roads and on our terms shall you market your products."—*Chicago Tribune*, December, 1884.

Signs are cropping up in many quarters of the West of a spirit among the farmers that may give the railroads trouble. We hear from many sources reports that a sense of great irritation is spreading among the farmers. The low prices they receive for their stuff are giving a keener edge to abuses of which they have long been conscious, but which they have tolerated in the easy good-humor of their past prosperity. When the farmer received a dollar for every bushel of wheat he took to town, the fact that the only place at which he could sell his wagon-load was at the solitary elevator by the side of the track did not

disturb him. He did not care that railroad rates were high—no harm to him, who was doing so well, if the railroads, too, did well. But when he receives only 48 cents a bushel in Dakota for No. 1 hard wheat, or 35 cents a bushel in Kansas, he sees a significance that before escaped him in several of the circumstances of the sale. If there was not a monopoly of the elevator business, and two buyers instead of one were bidding for his wheat, he might get a few cents a bushel more. If railroad rates were lower the price of wheat would be higher. The conviction grows on him that the railroad and the elevator are taking an unfair advantage of their "monopoly," and the conviction deepens into discontent, which, however unreasonably, threatens railroads generally with the resentment that should be aimed only at railroad abuses.

That there is such a feeling springing up among the Western farmers can not be doubted. The Omaha Bee declares that the people of Nebraska are in a state bordering on revolt. It prints entire an appeal issued by farmers to farmers of the angriest tone. It begins with this not propitiatory invocation: "Farmers! Shall we suffer the curse of railroad slavery forever? Are you cowards? Dare you not speak like men?" This is not an emanation, the Bee declares, from political mountebanks, but voices the sentiment of every farmer who has settled on the soil of Nebraska.

There is no lack of substantial grievances. The railroads have by special rates, special facilities, and other contrivances put the business of buying grain along their lines into the hands of monopolies. A single company or firm sometimes owns all the elevators along a railroad. What these elevators choose to pay the farmer must take. Then, while everything else has gone down, railroad rates are as high as ever, and in some cases higher. The pronouncement from which we have quoted gives an instance: "But a short time ago," it says, "the Burlington and Missouri River road could carry corn to Chicago for 30 cents a hundred pounds. Now it wants 35 cents. What does this mean? It means just this: 'How much will you stand?'"

The Bee vouches for the fact that freight rates in parts of Nebraska are higher than they were in 1879. The people of Butler and Polk Counties alone could have saved \$200,000 if their wheat and corn had been carried this year at the rates of 1879. In the case of a cattle shipment it mentions the rate in Nebraska was \$42.85 per car for one hundred miles, while the same shipment was charged on its way through Iowa and Illinois but \$9 per car for one hundred miles.

The chances that these extortions and inequalities will be heard from at the coming sessions of the Western Legislatures are exceedingly good. The Union Pacific makes a slight bend to the storm by reducing its rates, as just announced, 5 cents per one hundred pounds on grain. This is the right kind of policy, though not the right amount. A road which can sell and deliver for \$6 a ton in Omaha coal which it has mined at Rock Springs, Wyoming, and has hauled eight hundred miles, can reduce its grain rates still more. One prominent railroad manager in the Northwest is reported to us to have adopted a different policy. He sees the coming storm, but instead of abating the abuses he is buying up Legislatures. He prefers to rely on the venality of a few men rather than to win the good-will of the people. Wise railroad men should heed the portents of public anger and put their houses in order. They must not only do something, but they must do the right thing. Corrupting Legislatures is but putting off the evil day and fattening a monster that will some day devour them. The only safe policy is to reduce rates, abolish discriminations, treat all alike, and build their prosperity on the good-will of the community.—*Chicago Tribune*, December, 1884.

One of the principal mining men of Utah recently declared that "with the present low rates for lead and high rates of transportation, we might as well turn our ores right over to the railroad companies." This was by no means an exaggerated statement of the condition of affairs in Utah, and matters have long been worse in Nevada. Hundreds of good mines, adjacent to the line of the Central Pacific Railroad Company, are idle to-day, as they have been for years, because the rates charged for transporting the ores to San Francisco, Salt Lake, or other points where facilities for reduction could be obtained, were too high to leave the mine owner any adequate compensation for his toil and risk in prospecting for ore, extracting it from the mine and hauling it to the railroad. The railroad will not fix a price per ton for hauling ores; it must have a percentage—"all that the goods will bear." The miner will be allowed enough to live upon, but the railroad must take the lion's share of the profit.

It is the tribute of the Turkish serf to the Sultan that the railroad barons have demanded and exacted, but a great change has come over the spirit of the American people of late. Its first manifestation was in the dethronement of the Republican party, which had become the subservient tool—the willing, obsequious slave—of the railway lords. Its culmination will be, let us hope, in stern but just legislation in the States and in Congress, and honest administration by the Democratic party of laws which shall deal out equal justice to the people and to the railroads.—*Virginia (Nev.) Chronicle*, December, 1884.

## APPENDIX I.

The following will show list of roads owned by the Central Pacific or the Union Pacific—Standford, Crocker, Huntington, Gould & Co.—or in which a portion of the directors are the same:

## THE UNION PACIFIC SYSTEM.

- |  |                                   |
|--|-----------------------------------|
| 1. Union Pacific,                      | } Consolidation of Union Pacific. |
| 2. Kansas Pacific,                     |                                   |
| 3. Denver Pacific,                     |                                   |
| 4. Julesburg Branch.                   |                                   |
| 5. Omaha and Republican Valley.        |                                   |
| 6. Omaha and Nebraska and Black Hills. |                                   |
| 7. Saint Joseph and Western.           |                                   |
| 8. Marysville and Blue Valley.         |                                   |
| 9. Echo and Park City.                 |                                   |
| 10. Utah and Northern.                 |                                   |
| 11. Colorado Central.                  |                                   |
| 12. Denver, South Park and Pacific.    |                                   |
| 13. Lawrence and Emporia.              |                                   |
| 14. Junction City and Fort Kearney.    |                                   |
| 15. Solomon Railroad.                  |                                   |
| 16. Salina and Southwestern.           |                                   |
| 17. Denver and Boulder Valley.         |                                   |
| 18. Golden, Boulder and Caribou.       |                                   |
| 19. Kansas Central.                    |                                   |
| 20. Salt Lake and Western.             |                                   |
| 21. Oregon Short Line.                 |                                   |
| 22. Greeley, Salt Lake and Pacific.    |                                   |
| 23. Carbondale Branch.                 |                                   |
| 24. Nevada Central.                    |                                   |
| 25. Manhattan and Northwestern.        |                                   |
| 26. Manhattan, Albany and Burlingame.  |                                   |
| 27. Central Branch Union Pacific.      |                                   |

The foregoing are all run by the Union Pacific and expense charged to the Union Pacific.

These roads are all under the care of one or more of the directors of the Union Pacific. They are the Dillon and Gould roads.

28. Canada Southern.
29. Utah Central.
30. Utah and Nevada.
31. Texas and Pacific.
32. Memphis and Little Rock.
33. International and Great Western.
34. Missouri, Kansas and Texas.
35. Missouri Pacific.
36. Saint Louis Bridge Company.
37. Saint Louis, Iron Mountain and Southern.
38. Saint Louis and San Francisco.
39. Sedalia, Warsaw and Southern.
40. Saint Louis, Salem and Little Rock.
41. Chicago, Saint Paul, Minneapolis and Omaha.
42. Sioux City and Pacific.
43. Delaware, Lackawanna and Western.
44. Erie and Pittsburgh.
45. New York, New Haven and Hartford.
46. New York, Lackawanna and Western.
47. New York and New England.
48. Delaware and Hudson.
49. Central Railroad of New Jersey.
50. Manhattan Elevated.
51. Chicago and Canada Southern.
52. Michigan Central.
54. Cincinnati, Indianapolis, Saint Louis and Chicago.
55. Wabash, Saint Louis and Pacific.
56. Chicago and Northwestern.

## THE CENTRAL PACIFIC SYSTEM.

- |   |                                      |
|---|--------------------------------------|
| 1. Central Pacific.                     | } Consolidated with Central Pacific. |
| 2. California and Oregon.               |                                      |
| 3. San Francisco and Oakland.           |                                      |
| 4. San Francisco and Alameda.           |                                      |
| 5. San Francisco and Bay.               |                                      |
| 6. San Francisco, Alameda and Stockton. |                                      |
| 7. Western Pacific.                     |                                      |



8. Yuba Railroad.	}	Consolidated with Central Pacific.
9. Marysville.		
10. San Joaquin Valley.	}	Consolidated with Southern Pacific
11. Southern Pacific of California.		
12. San Francisco and San José.		
13. Los Angeles and San Pedro.		
14. Southern Pacific Branch.		
15. California Southern.		
16. Santa Clara and Pajara Valley.		
17. Colorado Steam Navigation Company.		
18. California Steam Navigation Company.		
19. Western Development Company, small line.		
20. Los Angeles and San Diego.		
21. Southern Pacific of Arizona.		
22. Southern Pacific of New Mexico.		
23. Sacramento and Placerville.		
24. Stockton and Copperopolis.		
25. Los Angeles and Independence.		
26. Amador Branch.		
27. Berkley Branch.		
28. Northern Railway.		
29. San Pablo and Tulare.		
30. California Pacific.		
31. Galveston, Harrisburg and San Antonio.		
32. Pacific Improvement Company (bridge).		
33. Chesapeake and Ohio.		
34. Chesapeake and Ohio and Southwestern.		
35. Kentucky Central.		
36. Morgan's Louisiana and Texas steamship and railroad lines.		
37. Texas and New Orleans.		
38. Louisiana Western Extension Company of Texas.		
39. Louisiana Western Extension Company of Louisiana.		
40. Louisiana Central.		
41. Elizabethtown, Lexington and Big Sandy.		
42. Market Street Railroad (San Francisco).		
43. Potrero and Bay View Railroad (San Francisco).		
44. California Street Railroad (San Francisco).		

## CENTRAL AND UNION COMBINED.

1. Pacific Mail Steamship Company.
2. Occidental and Oriental Steamship Company.
3. Western Union.
4. Atlantic and Pacific.

## RECAPITULATION.

1. Companies merged into Union Pacific and charged in expenses.....	27	
2. Companies controlled by same directors as Union Pacific.....	29	
	—	56
3. Companies owned by Central Pacific .....	16	
4. Other companies controlled by Central Pacific under lease and owned by its directors.....	17	
	—	33
5. Controlled by Central Pacific and Union Pacific jointly .....	4	
6. Other companies in which Huntington has a controlling interest.....	12	
	—	
Total.....		105

## APPENDIX K.

It is in this immense increase of fictitious capital that is to be found the cause of the general distrust which prevails. From 1879 to near the close of 1883 a most singular delusion rested upon the public as to their value, and this delusion was taken advantage of on a vast scale by able and unscrupulous adventurers. Whatever was manufactured and put afloat was seized with avidity by an eager and uninformed public. The delusion was increased and prolonged by payments on a very large scale of interest and dividends from capital. In this delusion the most loud-mouthed and unscrupulous promoters usually had the greatest success. The delusion culminated about the time of the opening of the Northern Pacific, in connection with which visionary schemes of immense magnitude had been put upon the market. Their worthlessness and the rapid decline of their securities exerted a powerful influence over the public mind, which continues unchecked to the time of writing this.

If it be assumed that the cost in money of all the roads in operation in the United States in 1883 did not exceed, as it certainly did not, the amount of their funded and floating debts, \$3,787,410,728, the actual investment was a most profitable one. The net earnings for the year were \$336,911,884, a sum equaling about 9 per cent. on their cost. *If the fictitious capital could be eliminated from their accounts their success, as investments, would have no parallel.* If to net income be added the advantages that flow from them, the result would be a matter of especial wonder. Our railroads the past year transported over 400,000,000 tons of freight. At \$25 a ton the value of this freight would equal \$10,000,000,000.—*Western Insurance Review.*

Says the New York Shipping List and Price Current for January 3, 1885:

"Let capitalists once become convinced that the water has been squeezed out of these railroad properties and begin to invest in them, and the liberation of the enormous accumulation of idle money in the banks will follow, and the disappearance of this evidence of the stagnation of trade will be the first tangible proof that improvement has been inaugurated."









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